



Committee On Finance

Max Baucus, Ranking Member

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Contact: Carol Guthrie
(202) 224-4515

BAUCUS APPLAUDS IMPLEMENTATION OF LUMBER DEAL

Senator Hopes Agreement Brings Stability to North American Market

Washington, DC – U.S. Senator Max Baucus (D-Mont.), Ranking Democrat on the Senate Finance Committee, welcomed today’s entry into force of the U.S.-Canada Softwood Lumber Agreement. The two sides concluded the deal earlier this year. U.S. Trade Representative Ambassador Susan Schwab and Canada’s Trade Minister David Emerson signed the deal on September 12. However, the agreement did not take effect on October 1, as contemplated by the agreement. The delay exacerbated a damaging surge in lumber imports from Canada that threatened the survival of many U.S. mills. On October 4, Senator Baucus sent a letter to Ambassador Schwab, Commerce Secretary Gutierrez, and Homeland Security Secretary Chertoff urging immediate implementation of the agreement.

“Today’s implementation of the U.S.-Canada lumber agreement finally brings to an end a difficult chapter in our relationship with our number one trading partner. Time is of the essence in the lumber industry, and I remain disappointed that the agreement was not implemented on time” said Baucus. **“But I am pleased that the United States and Canada took swift action to address this delay and get this agreement into force quickly. Montana and U.S. mills deserve the stability and predictability that this agreement is intended to provide.”**

Under the agreement, the United States and Canada will end all litigation over trade in softwood lumber. The two sides have also agreed to establish a border mechanism to regulate trade in softwood lumber when lumber prices fall below a specified threshold. The agreement also distributes the roughly \$5 billion in collected anti-dumping and anti-subsidy duties among the U.S. and Canadian industries as well as to lumber-related projects. Roughly \$450 million of this money will fund “meritorious initiatives” to assist the U.S. lumber industry.

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